

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6787**

**BILL NUMBER:** SB 205

**NOTE PREPARED:** Feb 27, 2007

**BILL AMENDED:** Feb 20, 2007

**SUBJECT:** Environmental Permits.

**FIRST AUTHOR:** Sen. Gard

**FIRST SPONSOR:** Rep. Dvorak

**BILL STATUS:** As Passed Senate

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill provides that a person must apply for a new permit and meet the requirements of all applicable environmental laws existing at the time the new permit is sought if the person (1) fails to act under an environmental construction permit before the deadline established by statute or rule; or (2) applies for renewal of a permit. The bill provides that the period in which action is required is tolled pending administrative or judicial appeal. It allows the commissioner of the Department of Environmental Management (IDEM) to revoke or modify a construction permit if a person fails to act under the permit before the deadline.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:** The proposal is expected to have minimal impact on IDEM. The cost of modifying or renewing a permit is not significantly different than the cost of applying for a new permit to the regulated community. The staff time is approximately the same for situations where the original facility was not constructed. Only 2-3 situations have occurred in recent years where the facility was not constructed within 5 years, but continued to renew the permit.

*Background:* Regulations for major air permits and modifications allow 18 months for construction (326 IAC 2-2-8(a)(1)). Minor air permits may be revoked after 18 months, but expire at 5 years (326 IAC 2-1.1-9). Storm water permits are good for 5 years (327 IAC 15-5-12; 15-6-10; 15-13-19). Waste water permits expire after 1 year if construction has not begun (327 IAC 3-2-3(a)). Five years are allowed for the completion of construction of confined feeding operations (CAFOs/CFOs). However, construction must begin within 2 years and be completed within 4 years of the permit. Permit fees are deposited in dedicated funds used by IDEM to finance oversight of the operations or facilities.

**Explanation of State Revenues:** See *Explanation of State Expenditures* above.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** IDEM.

**Local Agencies Affected:**

**Information Sources:** Sandra Flum, Legislative Liaison, IDEM, 317-233-9479.

**Fiscal Analyst:** Bernadette Bartlett, 317-232-9586.